

# Slides Used by Staff at December 3 Conference

The following slides were developed by FERC staff and used at the December 3 conference on Congestion Revenue Rights. At the conference, FERC staff identified general principles for the initial allocation of Congestion Revenue Rights that were supported by many of the speakers at the conference.

Additionally, FERC staff identified general principles for Standard Market Design that were offered by several speakers at the conference as part of the discussions of Congestion Revenue Rights. This list is not intended to list all Standard Market Design principles.

Each RTO should develop a transition process that implements these principles

- Allow CRR Allocation
- Require residual and secondary auctions
- Don't diminish current rights
- Rights must be simultaneously feasible

# CRR Principles

- Minimize cost shifts
- Standard product definitions (multiple products may be offered; regions could make choices among products)
- Facilitate new investment in transmission and generation

# CRR Principles

- Allocation should not serve as a barrier to entry
  - Benefits of rights should follow load
- Incentives for conversion of existing contracts
- Purely financial CRRs
  - Procedure for rationing

# General SMD Principles

- Seams coordination between RTOs
- Need to assure adequate infrastructure
- Market design must accommodate bilateral transactions.
- Address market power
- Do no harm to current customers